WEISS & WEISS ERIC WEISS, ESQ. (EW 2400) Attorneys for Plaintiffs 1250 Central Park Avenue Yonkers, NY 10704 (914) 375-0431	•
UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT, OF NEW YORK	
TOUGH CITY, INC. and SAMIR RAJPUT, Plaintiffs, v.	Civil Action 07 Civ. 06626 (NRB)
XENS, INC.,	AFFIDAVIT IN SUPPORT
Defendant.	
STATE OF NEW YORK)) ss.: COUNTY OF NEW YORK)	•

MOHAMMED RAJPUT, being duly sworn, deposes and says:

)

- I am the Chief Operating Officer (COO) of Tough City, Inc. (hereinafter 1. "Tough City"), the plaintiff in the above-captioned action, and am fully familiar with all of the facts which are set forth herein, both from my own personal knowledge, as well as the books and records of the corporation.
- I submit this affidavit in support of plaintiffs' Motion for a Default 2. Judgment, and provide the following information to the Court to provide guidance as to the amount of the damages to be assessed against the defendant, Xens, Inc.

- 3. During the period in question, I was in contact with the defendant, Xens, Inc. (hereinafter "Xens"), through their President, Mr. Robert Lee. The following information is from personal conversations with Mr. Lee, as well as documents produced by Xens and obtained by Tough City relating to their sales of the sneakers in question with the registered trademark "Tough City."
- 4. First, as to the number of pairs of sneakers sold by Xens containing the Tough City mark, in March, 2007, Mr. Lee informed me that he had ordered three large containers of sneakers with the mark "Tough City." Each of the three containers contained approximately 6,000 pairs of sneakers, which is a standard amount for these containers. Mr. Lee informed me that he had sold his inventory of these sneakers, totaling 18,000 pairs (6,000 times 3 containers).
- 5. Additionally, in another conversation with Mr. Lee on or about June 7, 2007, he informed me that he had an additional inventory of 14,000 Tough City sneakers. These were not the sneakers referred to in Paragraph 4, but a new, second order. Therefore, I believe that the total amount of "Tough City" sneakers sold by Xens to be 32,000 pairs (18,000 plus 14,000).
- 6. Xens is still selling these sneakers, containing the registered trademark "Tough City". In March of this year, I personally attended a trade show in Atlanta, Georgia, and observed that Xens had a display where they were marketing and selling the unauthorized goods, with the registered trademark "Tough City."
- 7. As to the profit margin of these sneakers, I enclose as exhibits copies of spreadsheets from Xens which show the price of each pair of sneakers sold, which range from \$37.50 to \$50.00 per pair. See, Exhibit "A", price column. The average price is approximately \$40.00 per pair.

- 8. The profit column on the same sheet (Exhibit "A") shows the amount of profit per pair to be paid (although no profits were ever paid to Tough City by Xens). In addition, Xens was to take a profit of \$10.00 per pair in addition to the sum listed in the profit column. The average profit on each pair of shoes was approximately \$28.00, which is the sum of the average profit of \$18.00 as listed on the Xens sheet, plus the \$10.00 per pair profit to be taken by Xens. This results in a seventy percent (70%) profit on each pair sold (\$28.00 divided by \$40.00).
- 9. Annexed as Exhibit "B" is another sales summary sheet produced by Xens, showing sales, profit, and margin of profit. The average profit margin on this sheet shows an average profit margin of 72.63% on each pair of sneakers sold, which is very close to the 70% figure as computed in Paragraph 8, above.
- 10. Based upon this information, which was obtained from Xens, I believe that the damages for lost profits should be computed as follows: 32,000 pairs of Tough City sneakers sold by Xens with the unauthorized trademark, times the average profit on each pair, approximately \$28.00, which would total \$896,000.00 in lost profits. Assuming a 70% profit margin, and a \$40.00 average cost per pair, this would result in the same sum (32,000 times 40 times 70%, which totals \$896,000.00).
- 11. These computations are based on the information provided by Xens. I do not have any further documentation, as Xens never paid any profits to Tough City, and refused to provide summary sheets other than the ones annexed hereto as exhibits. I believe that the information provided should be sufficient to award lost profits to Tough City for the unauthorized sales by Xens of sneakers with the registered trademark "Tough City." It is also my opinion that the retail prices charged, as well as the profit margins as shown on the exhibits, are well within the

standard industry prices for these type of products, based upon my experience in the industry. Copies of the "Tough City" trademark registration, as well as photographs of the infringing goods, have already been provided to the Court.

12. Therefore, I request that the Court enter a judgment in the amount of \$896,000.00 against Xens, Inc., representing the amount of profits made by Xens by its selling sneakers with the unauthorized mark "Tough City."

Filed 08/05/2008

Sworn to before me this (**7**) day of July, 2008

MY COMMISSION EXPIRES MARCH 13, 2012

EXHIBIT A

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OUTDOOR EMPIRE		1,080.00	73.00			1153				
PHATZ HIP HOP LLC	34			35.00		7				
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REWIND SPORTS		600.00	46.00			646				
RS CLOTHING	36					36				
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EXHIBIT B

Sales Summary By Date

Ending Date:

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